

AMENDED IN ASSEMBLY MAY 23, 2011

AMENDED IN ASSEMBLY APRIL 14, 2011

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1248

Introduced by Assembly Member Hueso

February 18, 2011

An act to add Section 7500.5 to the Government Code, relating to local public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 1248, as amended, Hueso. Local public employees' retirement.

Existing law authorizes the creation of retirement systems for public employees by counties, cities, and districts. The California Constitutional authorizes charter cities to establish pension plans under their respective independent constitutional authority.

~~This bill would prohibit a local public employer, as defined, that provides a defined benefit plan to its employees from eliminating that plan unless its employees are covered by the federal Social Security system.~~

This bill would require a local public employer to provide coverage under the federal social security system to all employees who are not covered under a defined benefit plan.

The bill would also express a legislative finding and declaration that federal social security coverage of local employees is an issue of statewide concern and not a municipal affair, and that therefore, all cities, including charter cities, would be subject to the provisions of the bill.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7500.5 is added to the Government Code,
2 to read:
3 7500.5. (a) For the purposes of this section, the following
4 definitions shall apply:
5 (1) “Federal system” means the old age, survivors, disability,
6 and health insurance provisions of the federal Social Security Act
7 (42 U.S.C. Sec. 301 et seq.).
8 (2) “Local public employer” means a city, county, and city and
9 county, including a charter city, charter county, and charter city
10 and county.
11 ~~(b) A local public employer that provides a defined benefit plan~~
12 ~~to its employees shall not eliminate that plan unless its employees~~
13 ~~are covered by the federal system.~~
14 ***(b) A local public employer shall provide coverage under the***
15 ~~*federal system to all employees who are not covered under a*~~
16 ~~*defined benefit plan.*~~
17 SEC. 2. The Legislature finds and declares that to protect the
18 general welfare of the residents of this state, federal social security
19 coverage of local employees is an issue of statewide concern and
20 not a municipal affair, as that term is used in Section 5 of Article
21 XI of the California Constitution. Therefore, this act shall apply
22 to all cities, including charter cities.